The Mortgage Banker

MARCH 1949

President Nielsen addresses annual meeting of Iowa MBA. Story on page 13.

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THE OUTLOOK FOR COMMERCIAL PROPERTY, APARTMENTS, OFFICE BUILDINGS AND SELL-LEASE BACK DEALS AS SEEN BY MARK LEVY

The Mortgage Banker

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MARCH, 1949

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>> SCARED TO SPEAK? When you're asked to speak at a MBA Clinic or some other meeting, do you duck it? If you're *scared* to speak, what are you scared of? Dr. Irving Lee of Northwestern's school of speech told Chicago MBA members at their annual meeting that there's *nothing* to be scared of—and he had statistics to prove it. (Sounds *so* easy to hear him tell it.) He said that records show that only six people were ever hit by a flying missile directed at a speaker and there have only been four deaths and 35 injuries on the rostrum. You're safer making a speech than almost any place you could be. Now if it is because you hesitate to face an audience, Dr. Lee says do it and the second time up you'll find it much easier. So next time a MBA invitation comes your way, remember: there's nothing to be afraid of!

>> YOUNGEST: Who is the youngest MBA member operating his own business? At clinics and conventions the past three years we have noticed many new young faces. Youngest member operating his own firm may well be William O. Cowger, of Thompson & Cowger Company, Inc., Louisville, who went in the business three years ago. He's 27. Who's younger?

>> 20 YEARS AGO: At the Chicago MBA annual meeting January 20, Secretary George H. Patterson recalled that it was exactly twenty years ago when members at the annual dinner of 1929 heard an address on the urgent need for a uniform mortgage and foreclosure act. A lot of words have been written and spoken on the subject since then but little done. We like to think of the great progress made in mortgage lending in the past two decades and it is all true; but there is still plenty to be done.

COMMERCIAL REAL ESTATE INVESTMENTS IN TODAY'S MARKET AS I SEE THEM

By MARK LEVY

VIEWING the subject of commercial real estate investments in today's market would obviously embrace consideration of the many elements and factors of value pertinent thereto. It is elementary that the location of the property, surrounding conditions and the community, the character of the improvements, tenancies, and the like are of prime importance. Naturally a list of the many other factors which a prudent investor or purchaser would take into consideration would vary with the particular property. Looking into the future, which an investor must do, it is well to take into consideration an overall picture of conditions.

The 81st Congress is now in session, and at the date of this writing it is not definitely known what legislation will be passed which might affect the economic conditions of the country, even though President Truman has delivered his message to Congress outlining what he deems is necessary to curb further inflation. Against the deflationary effects of heavier business taxes, we may expect the inflationary effects of heavier government spending. Military expenditures are bound to increase. The government will put out money to support farm prices. President Truman has frequently advocated a variety of measures which will require $4 billion more than

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For the leading article in this issue, we asked Mark Levy to analyze the commercial real estate market. He has done a thorough and complete job of it and gives you his thinking—based upon a successful career in the field—about retail locations, outlying centers, the chains, office buildings, hotels, long-term and percentage leases and the sell-lease back development.

This is Mr. Levy's second appearance in THE MORTGAGE BANKER. *In the November and December, 1947 issues we published a two part series by him on The Trend of Corporations to Sell Their Real Estate to Institutional Investors, a subject on which he will speak at our Chicago Clinic. These were the first articles written on this subject and attracted wide comment in the lending field and in newspapers and other publications both here and abroad (See back inside cover). Requests for them still come in although the second article has long been out of print.*


Mark Levy

Mr. Levy is recognized as one of the top authorities in this country on commercial real estate. He heads his own real estate firm in Chicago and is a former president of Chicago and Cook County Real Estate Boards, the Chicago Association of Commerce Real Estate and Loan Division, National Institute of Real Estate Brokers and Illinois Chapter of American Institute of Real Estate Appraisers. He was treasurer of the National Association of Real Estate Boards.

He has been engaged in the selling, leasing, and appraising, and acting in advisory capacity in various forms of real estate investments, for the past 42 years. He has sold over $100,000,000 of real estate, and he has also made leases in excess of $500,000,000 and appraisals in excess of $2,750,000,000.

what has been estimated as the income of the government for 1949. This will include federal education, federal health insurance system, federal housing, slum clearance, more power projects, and increased social security benefits. There will also be an increased volume of federal, state, and local public works, highways, and institutional buildings.

>> BUSINESS HAS BEEN GOOD: We have never before found ourselves in a peace-time condition where we are not only spending 6 per cent of our national income for military purposes but are faced with the prospect of increasing such expenditures. Neither have we ever before undertaken such an extensive peace-time foreign aid program as we are now committed for. Articles exported for foreign aid and military items will curtail the civilian consumption, and wages earned in making these products therefore compete for other goods available in the domestic markets.

In spite of these conditions which confront us now, corporation profits for 1948 after taxes will approximate $20 billion—the largest in the history of the country. In considering this increase in profits, we must remember that the purchasing power of the dollar is less, and that the standard of living throughout the nation has been advanced, by industry's adoption of improved plant and equipment facilities which can turn out more and better goods. One reading the statements of many industries and corporations for 1948 cannot help but observe that in spite of many conditions which merchants and industries complain about, business has been good and profits have been high, in spite of high taxes.

Civilian employment expanded from an annual average of 58 million in 1947 to a record of 59.4 million in 1948, and the number of persons unemployed remained at peacetime minimum of around 2 million but it is increasing now. Reflecting increases in prices as well as in physical volume, the gross national product was up 9 per cent from $232 billion to about $253 billion, according to the federal reserve.

I might point out here that wages during the post-war year of 1865 averaged about $8 a week. In 1920, the average was $29.52 a week, and in 1948 the average was $52.81 a week.

>> LIFE HOLDINGS: According to the New York Trust Company, total reserves of life insurance companies increased to $48.5 billion at the end of 1948, and total assets to $55.4 billion. Of the total assets, about 30 per cent are in Government securities, 37 per cent in securities of business and industry, 21 per cent in mortgages and real estate, and 12 per cent in state and local bonds, foreign government securities, and other assets.

>> RETAIL ESTABLISHMENTS: There are approximately 1,750,000 retail establishments in the United States, serving approximately 147,280,000 people, or about 39,000,000 families. Since 1940, the population has increased about 15,500,000 persons, as compared with an increase of 9,000,000 persons for the period between 1930 and 1940.

The purchasing power of the retail market or personal incomes for 1948 in the United States was approximately $212 billion. So people will have money to spend in spite of the high cost of living. There was $28,331,000,000 in circulation in November, 1948.

Semi-annual surveys conducted by the National Association of Real Estate Boards have shown that in 1948, in 208 cities of the country, there was a shortage of well located retail space in 80 per cent of the cities reporting. This means the so-called "100 per cent locations." The survey showed that the selling prices were higher than in 1947 in over 40 per cent of the reporting cities, and they were similar or unchanged in over 50 per cent of the reporting cities—a total of 95 per cent reporting. Rents for downtown retail space were higher in 58 per cent of the reporting cities, unchanged in 40 per cent, and down in 2 per cent. For outlying sections, store rents were unchanged in 52 per cent, up in 39 per cent, and somewhat weaker in 9 per cent. Generally, the secondary locations are weaker and off in both demand and rentals.

» OUTLYING CENTERS: There is a definite increase in the number of new outlying business centers and a definite improvement in the better located and established outlying business centers in the large cities of the United States. Traffic congestion, difficult transportation, and lack of automobile parking facilities in old "city-center" districts are largely the cause of the growth of the outlying centers. Many of the new business centers are providing automobile parking space convenient to the shopping center. This phase could be expanded, and some of the merchants in some of the cities are providing not only parking space but also garage space for the convenience of their customers.

It may be of interest that the City of New York is leasing as a parking lot to the Parking Center Realty Corp. the two block area bounded by Center, White, Lafayette, and Leonard Streets, on which the old Tombs Prison and the Criminal Courts Building used to stand, at a rental of $121,200 per year. Franklin Street separates the blocks and will remain open for pedestrian and vehicular traffic. The area provides space for 540 cars, and under the terms of the lease a maximum charge of $1 for 24 hours has been fixed.

Many retail establishments have recognized the importance of the trend toward the drive-in shopper and have located in the section of the city where parking is possible. Sears Roebuck & Co. have been so successful in comparatively "off location" stores because these locations are more accessible to the automobile shopper than downtown locations. Sears Roebuck & Co. in most cities have secured locations on arterial traffic ways and massed transportation, which have good acceptability to a large population, and where a large area for parking is obtainable at no cost or at a reasonable cost.

» CHAIN EXPANSION: The chain store organizations of the country spent $457 million in 1948 for store modernization. The largest portion spent by any of the several businesses was spent by the Variety Department Store chains. This compares with $386 million spent in 1947, and it is anticipated that the chains will spend almost as much money in 1949, in spite of the fact that cost of such modernization is approximately two and one-half times what the same work cost in 1941. It may be of interest to cite the policies of the two largest mail order houses. Sears Roebuck & Co. has spent since February 1, 1946, $130,700,000 on new capital facilities and is adding $35,000,000 more this fiscal year. In addition to opening 39 new stores since February 1, 1946, remodeling others, enlarging or relocating still more, and going into the Latin American market with a $12 million volume the first year in Mexico City, it has opened up 50 new catalogue order offices and constructed a new mail order plant. Montgomery Ward & Co. has withheld going in for building, remodeling and relocating while costs were high. However, they have set aside $26,000,000 for possible future inventory decline as against Sears Roebuck's $28,500,000. Sears' 628 retail stores at January 31st, the end of the firm's 1948 year, are expected to show expenditures of $32,000,000 for advertising, 74.4 per cent for newspaper space.

Chain store merchants and other merchants in new locations are generally requiring larger areas than heretofore, enabling them to have more counter space and to carry more lines of merchandise. For example, the chain grocery supermarts must have ample space to do an annual volume of at least $1 million. I know of two food marts, and there may be others, which are doing a volume of $3½ million to $4 million annually. The variety store wants at least 12,000 sq. ft. of floor space up to 30,000 sq. ft. in some of the larger cities.

The drug stores require 5,000 sq. ft. up to 25,000 sq. ft. Some of the ladies' shoe stores want 40 x 144 ft.—two floors and basement. Ladies' ready-to-wear specialty shops like Three Sisters' operation at Madison and Crawford Avenue, Chicago, have two floors and basement, 50 x 175 ft. Men's clothing establishments including some women's apparel, like Bond Clothing Co. at the northwest corner State Street and Jackson Blvd., Chicago, have as much as six floors and basement, with approximately 115,000 sq. ft. of floor space. The junior department store, such as Goldblatt

Bros., Inc. one-story and basement store on Harlem Avenue near Grand Avenue, Chicago, has 60,000 sq. ft. of floor space.

With all the advantages which chain stores have over independent operations, the chains have not dominated retailing. Less than 10 per cent of retail stores are a part of a chain. Chains grew rapidly after World War I, but since the beginning of the great depression in the early '30s their rate of growth has tapered off. Stores have become larger and smaller units eliminated. In 1920, the chains made only 4 per cent of all retail sales. By the end of 1929, chain store sales had grown to more than 20 per cent. In 1948, the chain stores did approximately 23 per cent of all retail business.

>> SELL-LEASE BACK: During the past three years insurance companies, colleges, eleemosynary institutions, and some religious organizations have made substantial investments in chain store properties and department store properties in the 100 per cent sections of the principal cities of our country. Most states permit such purchases. Some have also made investments in industrial plants with AAA-1 tenants, whereby the investor received a fair rate of interest on the capital invested and complete amortization of the investment within the term of the lease—20, 25, 30, 35 or 40 years—and in many cases with options to the lessee for additional term at lower rentals. This subject was covered by my articles in The Mortgage Banker for November and December, 1947.

To indicate the extent of this field, at the end of November, 1948, the life insurance companies of the country had invested $973 million in this type of real estate, of which $235 million was invested during the first 11 months of 1948. As of the same date, these insurance companies had invested $60 million in farm real estate. At year-end, the Institute of Life Insurance reported that the total mortgage holdings of more than 500 life insurance companies were valued at $10,825,000,000. This is $2,150,000,000 more than at the start of the year and gives a mortgage investment per policy holder of about $140 or about one-fifth of the total funds held per policy holder.

Life insurance companies within the last year have generally increased their interest rates, have been more selective in their investments in real estate mortgages, and in considering new loans have discounted in some cases the actual cost of the building, unless the maker of the paper has an exceptional record and is thoroughly responsible financially. It is the opinion of mortgage bankers that mortgage interest rates in 1949 will remain firm. Also, generally the insurance companies are now scrutinizing the real estate loan applications more carefully than heretofore. Life insurance companies, which largely supply the funds for mortgage investments, represent policy holders and, therefore, must be conservative in handling their investments.

There is still a heavy demand by private investors, even though buyers are more selective than they have been in their purchases, for commercial investments in 100 per cent locations, where the store leases are of short duration and the improvements are old, requiring either a new building or complete rehabilitation.

>> OFFICE BUILDINGS: The multistory office building over the country was in very large demand in 1946 when a great number of sales were made. Fewer sales were made in 1947 and in 1948. However, there is a demand for modern office buildings by corporations who can use a large portion of the space for their own work. Some private investors are still interested because of the fact that they know that the cost to reproduce these buildings would be more than what they can purchase some of the existing buildings for.

The rental survey made in the principal cities by the National Building Managers Association, as of October 1, 1948, showed an occupancy of 98.88 per cent, which is a slight drop from 98.99 per cent on May 1, 1948.

A survey of space leased by the federal government, in a report published in June, 1948, by the Committee on Expenditures in the Executive Departments, stated that the government held by lease or title as of

December 1, 1947, a total of 340,500,000 sq. ft. of space, of which 31,300,000 sq. ft. are located in Washington, D. C. Of the total space, the amount recorded as being office space in the Continental United States is 27,664,238 sq. ft.

It is not anticipated that many new office buildings will be erected in the near future, due to the high cost of construction, except for insurance companies for their offices, large corporations or a number of corporations occupying an entire building.

In January, Market Council of National Institute of Real Estate Brokers, reporting on a round table discussion by realtors from various cities of the United States on conditions and current outlook in 1949, held in New York in November, 1948, at which the writer was present, it is stated substantially that commercial office space in downtown areas is still at a premium in most cities. Little office building construction is going on, with Houston and New York as notable exceptions, where they have built and are building several multi-story buildings. Prudential is constructing a large building in Los Angeles, Mutual Life one in New York and New England Mutual one in Boston. Good store locations are still in demand in most cities, with some weakness in inferior store locations. Buyers are usually available for high grade commercial properties.

» HOTELS: Hotel properties since the war have increased in earnings and have materially increased in value. Allen C. George of Harris, Kerr, Forster & Co., predicted in November that a continuation of high volume operation, although not at national wartime levels, is expected for hotels in 1949. He further stated that the hotel business closely parallels the trend of the economic activity of the country generally. He pointed out that the hotel occupancies are currently averaging about 88 per cent, which is a decline from wartime peaks of 93 per cent. The high volume of commercial and convention travel has been maintained, but there has been a falling off of the tourist and pleasure-seeking type, especially over weekends.

Horwath & Horwath in "Operating Ratios of 100 Hotels Located in 49 Cities" show that the hotel industry in 1947 earned 10.11 per cent on the fair value of the property, but nearly a fourth of this was paid for income taxes; so the net return was 7.70 per cent.

» PERCENTAGE LEASES: The percentage lease is becoming more and more in demand in commercial properties throughout the country. A logical tenant in logical space, at a percentage which is fair to that particular business, with a fair minimum guarantee, is the fairest test of rental value, and is fair to both landlord and tenant.

There are several types of percentage leases, such as the straight lease for a definite term at a percentage of gross sales against a fixed rental. The rental can be the same throughout the term, or it can be on a graduated or step-up basis, increasing at different periods of the lease. The percentage lease without a fixed minimum guarantee, however, is rarely made, and this is not recommended. This type of lease is purely a percentage of the gross receipts from the tenant's business. This type of lease is objectionable and should rarely be used.

The percentage lease with a fixed minimum guaranteed rental is the most generally adopted percentage lease. The guaranteed rental is payable monthly, and the excess rental based upon a percentage of the gross volume of business transacted is paid in some cases monthly, quarterly, or semi-annually, but generally annually, with an adjustment annually. There are some leases that have a maximum rental but they are not recommended.

In the last few years there have been several percentage leases negotiated where the lessee pays a minimum guaranteed rental based either upon the value of the property or upon the cost of the land and the building to be erected, plus taxes, insurance premiums, maintenance and operating costs during the term of the lease, against a fair percentage of the gross volume of business transacted. Where the tenant pays taxes and insurance premiums, the amount of such cost is given considera-

tion by capitalizing this sum so expended by the rate of percentage paid on the gross volume of business transacted, and this result is deducted from the gross volume before any excess rental is paid.

» LONG TERM LEASES: From about 1910 to 1930, many long-term ground leases—99 years, 198 years, and the like—were made on commercial properties in the principal cities of the country. Some of these leases anticipated too large an increase in value in the future, and, as a result of the depression of 1932, some of these leases were either forfeited, cancelled by agreement, or modified. All of these leases were at a net annual rental, plus taxes, insurance premiums and all maintenance and operating costs. Many of them required new buildings to be erected, which would not have been erected were it not for the lessee undertaking the obligations. Some of the leases were at a straight fixed rental, based upon the value of the land, and many of those that came into difficulty had step-up increased rentals, which were not justified.

Were it not for these long-term leases, many of our cities would not have been developed to the extent they have been, because the then owner would not undertake or assume the necessary obligations to consolidate adjoining properties and meet the problems of constructing multi-story buildings.

There are also some 99-year leases which have been created where the tenant pays a percentage of the gross volume of business transacted against a net annual ground rental, plus taxes, insurance premiums, and maintenance.

It is accepted, of course, that individual problems and requirements will enter into and color every individual situation.

» STORES RECOMMENDED: Store properties, if they are well located, with suffiicent parking facilities, either downtown or in logical outlying centers, generally offer a good return on the investment; and in the case of a serious depression or recession will probably decrease less in value than common stocks or most other types of investment. This type of commercial property generally will pay 5 per cent, 6 per cent, 7 per cent, and even in some cases 8 per cent, as against municipal bonds (tax-exempt) which show 1.15 per cent to 2.50 per cent yield.

» THEATRE BUILDINGS: There are about 20,000 motion picture theatres in the United States. They are special purpose buildings and have been in less demand during the past two years except by theatre operators. Due to certain federal suits in connection with consolidations and pictures control, the market has not been as active as it would have otherwise been. In downtown or central business district theatres, business has been off generally 10 per cent to 15 per cent from the war peak; and in outlying theatres generally off about 5 per cent.

» LOFTS: Loft buildings in our larger cities, because of the shortage of new buildings and shortage of space, have been able to obtain as much as $1 or $1.25 a sq. ft. rent, as against rentals of 25 cents to 50 cents a sq. ft. before the war, resulting in higher values and sale prices. However, it is the general opinion that the market has softened some for this type of property and values will be somewhat lower as new buildings are erected.

I do not mean to infer that *any* commercial property, *any* place, at *any* price is worth buying. Buyers must be selective and should have competent and disinterested advice before making an investment, because an investment of this type is usually made with surplus funds that have been secured as a result of thrift and hard work.

It is the general opinion of the officers in various industries and businesses, and realtors with whom the writer has had occasion to discuss this subject within the past few months that we are all going to have to work harder to produce results anywhere comparable to those of the recent few years. It is also conceded that prices of various commodities are bound to be lower in 1949 than in 1948; already there has been a very large drop.

WHAT WE ARE PLANNING FOR NEW YORK

★ *It's a good Clinic program; and if you're going East this year, why not combine your trip to coincide with our April 4-5 meeting*

FOR our second 1949 Clinic we will be back in a familiar setting—the Commodore in New York where we held last year's Clinic as well as our annual convention. The dates are April 4 and 5 and the Clinic Committee, under Ferd Kramer of Chicago, has planned an excellent and timely program.


Oliver Walker

Some of those you will hear and their subjects are:

>> PRESIDENT NIELSEN and Washington Counsel Samuel E. Neel speaking on general conditions in our business and on capital developments.

>> RAYMOND M. FOLEY, administrator, Home and Housing Finance Agency, on the government's housing program.

>> GEORGE N. RAY, Randall H. Hagner & Co., Washington, D. C., on Sources of Mortgage Money.

Oliver M. Walker, president, Walker & Dunlop, Inc., Washington, will serve as moderator.

The first afternoon session will be given over to a panel discussion on The Real Estate Market for 1949 with Robert H. Pease, Chicago, as moderator. You will hear:

>> W. WALTER WILLIAMS, past president of MBA and chairman of the Committee for Economic Development on The General Business Outlook for 1949.

>> ROLAND R. RANDALL, president, R. R. Randall & Company, Philadelphia, on The Industrial Real Estate Market for 1949.


Walter Williams


Samuel Neel

>> EDWARD CARR, former president of the National Association of Home Builders, Washington, D. C., on The Market for Homes and Apartments.

Monday evening will be given over to a discussion of G. I. foreclosure proceedings and RFC reporting procedure.

All day Tuesday will be devoted to a session on How to Increase Your Profits in 1949 with Paul P. Swett, Jr., treasurer, Baltimore Life Insurance Company, as moderator. Panel members and their subjects include:

>> MILTON G. MUMFORD, Marshall Field & Company, Chicago, on Urban Redevelopment and the Mortgage Banker.

>> ALLEN E. FREEZE, RFC, Washington, D. C., discuss revised RFC reporting procedures.

>> ROBERT C. NORDBLOM, president, Nordblom Company, Boston, on Profits Through Forming Syndicates.

>> **NATHANIEL DYKE, JR.,** president, The Guardian Company, Little Rock, and former member of the Federal Home Loan Bank Board, on Profits Through the Sale of Life Insurance.

>> **JOSEPH C. HUDSON,** Main & Company, Philadelphia, on Efficiency of Operations.

Shortly you will receive our hotel reservation card. Fill out and mail promptly to insure the accommodations you want at the Commodore.

STILL TIME FOR CHICAGO

YOU'RE not too late to make your arrangements for MBA's first big 1949 Clinic at the Drake Hotel, Chicago, February 24-25. If you didn't make your hotel reservation with the card sent you recently, write or wire the hotel today and you can be accommodated. Around 225 rooms have been reserved.

The program will be one of the most interesting and informative we have presented in many years and is geared right to the fundamentals and the realities of our business at this moment. Some of the speakers and their subjects:

>> **PRESIDENT NIELSEN** will make general observations of our industry based upon his appearances over the country, and Samuel E. Neel, Washington Counsel, will discuss capital developments.

In a panel discussion of The Mortgage Market in 1949, with Edgar N. Greenebaum, Chicago, as moderator, you will hear:

>> **RAYMOND M. FOLEY,** administrator, Housing and Home Finance Agency, Washington, D. C., discuss the Government Housing Program for 1949.

>> **ARTHUR M. WEIMER,** dean of the school of business, Indiana University, discuss Sources of Mortgage Money.

>>**WILLIS J. WINN,** Wharton School of Finance, University of Pennsylvania, discuss Interest Rates.

The first afternoon session will be devoted to a panel on The Real Estate Market in 1949 with Robert H. Pease, Chicago, moderator. You will hear:

>> **M. JOSEPH MEEHAN,** acting director, office of business economics, Department of Commerce, discuss The General Business Outlook.

>> **ROLAND R. RANDALL,** president, R. R. Randall & Company, Philadelphia, discuss The Industrial Real Estate Market in 1949.

>> **FRITZ B. BURNS,** Los Angeles builder, discuss the market for homes and apartments.

>> **LEO J. SHERIDAN,** president, L. J. Sheridan & Co., Chicago, discuss The Commercial Real Estate Market in 1949.

The Thursday evening session will be moderated by Edgar N. Greenebaum, Chicago, and we will hear:

>> **O. SANDERS, JR.,** supervising loan guaranty officer of the VA in Chicago, discuss foreclosure proceedings.

>> **ALLEN E. FREEZE,** RFC, Washington, D. C., discuss revised RFC reporting procedures.

The second day is given over entirely to How to Increase Your Profits in 1949, with Byron T. Shutz, Kansas City, moderator. Speakers are:

>> **HOLMAN T. PETTIBONE,** president, Chicago Title & Trust Company, on Urban Redevelopment and the Mortgage Banker.

>> **MARK LEVY,** Chicago, on Institutional Purchase of Real Estate.

>> **ROBERT C. NORDBLOM,** president, Nordblom Co., Boston, on Profits Through Forming Syndicates.

>> **W. BRAXTON ROSS,** Morrison & Morrison, Inc., Denver, on Profits Through Sale of Life Insurance.

>> **JOSEPH C. HUDSON,** Main and Company, Philadelphia, on Efficiency in Operations.

MAKE YOUR PLANS NOW FOR MBA-NU SEMINAR

★ *One of the best investments you can make in your business is to send some of your younger personnel to our education course*

MBA members should act now to make their plans for the Association's second annual Mortgage Banking Seminar at Northwestern University in Chicago, June 20 to 25. The program is practically complete and reflects experience gained at last year's successful Seminar with such changes and revisions indicated by what we learned. The result is that MBA will offer this year the most complete and authoritative educational course in mortgage lending available anywhere.

Robert H. Pease

Frank J. McCabe

Some significant highlights:

› About 50 per cent more time devoted to appraising and servicing than last year.

› One-half of the faculty members will be new—and mostly they represent men who are actively in the business and have been signally successful at it.

› The course runs 6 days with adequate time for covering every subject.

› Plenty of time has been set aside for discussion—something those who attended last year were strong in recommending.

› Many of the subjects are new and others have been given a new slant.

› No increase in tuition—it's $75 for each registrant but of course attendance will be limited, which is the reason why Frank J. McCabe, MBA director of education and research, and Robert H. Pease, co-chairman of the education committee, are anxious to hear now what your requirements are. The course is so good we want to serve every member who wants to come.

Sessions will be held in the Social Room of Thorne Hall which is directly across from Abbott Hall where men students will reside. Thorne Hall is quiet, air-cooled and an ideal place for a meeting.

Some of the speakers and their subjects:

DR. ARTHUR M. WEIMER, dean of the school of business, Indiana University, on the history and background of mortgage lending.

W. E. ROE, vice president, Central National Bank, Cleveland, on loan applications and credit examination.

Arthur M. Weimer

Herman O. Walther

MR. PEASE, who is vice president of Draper & Kramer, Inc., Chicago, on analyzing financial statements.

HERMAN O. WALTHER, vice president, Bell Savings and Loan Association, Chicago, on appraising dwellings.


Robert E. O'Dea


Curt Mack


Robert Kratovil


O. Sanders, Jr.

BLAINE A. DAVIS, chief appraiser, Bankers Life Company, Des Moines, on appraising hotels and apartments.

JOHN C. TREDWELL, past president, American Institute of Real Estate Appraisers, on appraising commercial property.

MARK LEVY, Chicago, on appraising chain stores. *(See leading article this issue.)*

FRANK D. HALL, Brooks, Harvey & Co., New York, on appraising industrial and special-purpose property.

NORMAN H. NELSON, vice president, Minnesota Mutual Life Insurance Co., and FERD KRAMER, president, Draper & Kramer, Inc., Chicago, on underwriting the mortgage risk.

WILLIAM L. LEIGHLY, vice president, Dovenmuehle, Inc., Chicago, on selling the loan and the investor-correspondent relationship.

WALTER C. NELSON, vice president, Eberhardt Co., Minneapolis, on construction loans.

ROBERT E. O'DEA and ROBERT KRATOVIL, Chicago Title and Trust Company, on closing the loan and law for the mortgage banker.

CURT C. MACK, assistant FHA Commissioner, and O. SANDERS, JR., of the VA office in Chicago, on the work of their agencies.

THOMAS J. PURCELL, vice president, Hogan & Farwell, Inc., and EHNEY A. CAMP, JR., vice president, Liberty National Life Insurance Company, on servicing delinquent and active loans.

W. A. CLARKE, president, W. A. Clarke Mortgage Co., Philadelphia, on acquiring new business.

AUBREY M. COSTA, vice president, Southern Trust & Mortgage Company, Dallas, on the insurance end of a mortgage business.

PRESIDENT NIELSEN on the outlook for mortgage lending.

The Seminar is one of your really big business opportunities in 1949—a chance to send the personnel from your organiza-


William L. Leighly


Thomas J. Purcell


Frank D. Hall


John C. Tredwell

tion upon whom you will be leaning more and more in the future and let them hear authoritative experts tell what makes the business go. These specialists will discuss every phase of the mortgage industry and they are men who have been eminently successful in doing what they will tell you how to do.

A booklet fully describing the course with an application blank will be distributed around March 15.

Included on Mr. Pease's committee are Norman H. Nelson, St. Paul; William L. Leighly, Chicago; D. R. Beaumont, Chicago; Andrew S. Love, St. Louis; W. L. Bryant, San Francisco; Wallace W. True, Brooklyn; and Edward F. Lambrecht, Detroit.


Ferd Kramer


Walter C. Nelson


W. A. Clarke


Norman H. Nelson

MEET YOUR NEW FELLOW MEMBERS

★ *And more are coming in all the time; 1949 looks like a banner year for MBA*

MBA's membership campaign is moving along at top speed and the committee's efforts are being rewarded with satisfactory results. So far in this Association year, beginning September 1, 50 new members have been admitted, which tops the results for any previous similar period. With the great number of prospects now being contacted and the encouraging response from members who are using our new booklet effectively, Aubrey M. Costa, membership chairman, is more convinced than ever that it will be a banner membership year.


Aubrey M. Costa

Since The Mortgage Banker last published a list of new members, these new companies have been admitted:

ALABAMA: Engel Realty Company, Joe H. Bynum, Birmingham; Real Estate Financing, Inc., E. S. Watts & Co., Inc., Montgomery.

ARIZONA: Aetna Investment Corporation, Applewhite Mortgage & Investment Co., The Valley National Bank of Phoenix, Western Mortgage Co., Phoenix; Tucson Realty Co., Tucson.

ARKANSAS: Fort Smith Development Co., Fort Smith; Block Realty Company, Little Rock; Taylor & Co., Pine Bluff.

CALIFORNIA: Peoples Bank, Long Beach; East Bay Mortgage Service, Inc., Oakland; Little & Garrettson, Inc., Title Insurance & Trust Co., Los Angeles; Pasadena-First National Bank, Pasadena; Pacific National Fire Insurance Co., San Francisco.

COLORADO: Inglis Mortgage Co., Colorado Springs; Record Abstract & Title Insurance Co., The Frederick R. Ross Investment Co., J. Pete DeLongchamps, Jr., Denver; G. R. Hanson, Pueblo.

DELAWARE: Mortgage Service Corp., Emmett S. Hickman, Wilmington.

DISTRICT OF COLUMBIA: Mount Vernon Mortgage Corporation, Washington.

FLORIDA: R. K. Cooper, Coral Gables; Wm. J. Porter & Company, Jacksonville; American Title & Insurance Co., Miami.

GEORGIA: C. D. LeBey & Co., Roy D. Warren Co., Inc., Jefferson Mortgage Corp., Atlanta;

Blanchard & Calhoun Realty Co., Augusta; Muscogee Mortgage Company, Columbus.

ILLINOIS: Drexel Savings & Loan Association, Medill Building & Loan Association, Robert M. Hepner & Co., Chicago; C. N. Gorham & Son, Inc., Roby & Roby, Decatur; Sumner Mortgage Company, Oak Park; Carrico & Wilgus, Inc., Wallace H. Halsted, Rockford; Mason & Ellis, Rock Island; The First National Bank of Waterloo; Fayart & Son, Springfield.

INDIANA: Walls & Walls, Bedford; Northern Indiana Mortgage Company, Elkhart; Metropolitan Mortgage Company, Fort Wayne; Equitable Securities Company, Indianapolis; The First Bank & Trust Company of South Bend, So. Bend; J. B. Pfister Co., Inc., Terre Haute.

IOWA: Home Federal Savings & Loan Association, Des Moines; The First National Bank of Mason City; First National Bank in Sioux City; Wynkoop Mortgage Company, Inc., The Leavitt & Johnson Company, Waterloo.

KANSAS: W. L. Hamilton & Associates, Topeka; The Amortibanc Investment Co., The Home Mortgage Investment Co., Wichita.

KENTUCKY: Insured Mortgage & Investment Co., Bowling Green; Midwest Mortgage Co., Inc., Louisville; The Wade Company, Paducah.

LOUISIANA: Rapides Bank & Trust Co., Alexandria; Crawford Home Loan Corp., Baton Rouge.

MARYLAND: S. J. Stackhouse & Son, Baltimore; The Baltimore County Mortgage Company, Towson.

MICHIGAN: Western Finance Company, Citizens Mortgage Corp., Union Mortgage Co., Michigan Mortgage Corp., Detroit; Draa Mortgage Company, Grand Rapids.

MISSOURI: Hamilton-Crawford-Pullman Mortgage Corp., Willock Realty & Loan Co., Kansas City; O. L. Burger Loan Agency, McKinney & Company, Springfield.

MINNESOTA: Lumbermen's Finance Corporation, St. Paul.

NEBRASKA: Conservative Investment Company, Lincoln; McCampbell & Company, McFarland & Kennedy, Inc., Omaha.

NEW JERSEY: The Irvington National Bank, Irvington; Garden State Title Insurance Co., Montclair.

NEW YORK: Picotte Realty, Inc., Albany; F. J. Carroll, Inc., Eugene P. Golden, Brooklyn; South Side Bank of Bay Shore, Bay Shore; Wells & Barker, Inc., Abernethy Company, Inc., Percival V. Bowen, Buffalo; The Mittelman Organization, The Seldin Organization, Henry J. White & Son, Jamaica; The First National Bank, Merrick; Jem Associates, Mount Vernon; City Title Insurance Company, Durand Taylor Company, Northern Insurance Company of N. Y., Ruland & Benjamin, Inc., The Greenwich Savings Bank, The Manhattan Savings Bank, Industrial Bank of Commerce, New York City; The County Trust Company, Tarrytown; Syracuse Savings Bank, Syracuse; Rochester Savings Bank, Rochester.

NORTH CAROLINA: McDonald Realty Co., Southeastern Fire Insurance Co., Bank of Charlotte, N. G. Speir, Inc., Charlotte; Tysor Realty & Mortgage Co., Greensboro; Connell Realty & Mortgage Co., Fidelity Bond & Mortgage Co., Raleigh.

OHIO: Ernest E. Ritzman, Akron; Murr & Murr, Dayton; M. L. Smith, Mansfield.

PENNSYLVANIA: Raymond Armstrong, Commonwealth Title Co. of Phila., The Home Life Insurance Co., Philadelphia Life Ins. Co., Philadelphia; Roscoe Q. Jarrett Organization, Earl S. Kester Mortgage Service Co., Inc., Allentown; W. M. Hall Company, Knox & Reilly, Inc., Pittsburgh; Berks Title Ins. Co., Reading; Delaware-Montgomery Mortgage Co., Upper Darby.

PUERTO RICO: Banco De Santurce, Santurce.

SOUTH CAROLINA: The State Building & Loan Association, Charleston.

TENNESSEE: Moore & Walker, Inc., Kingsport; Arthur R. Davant, Dobson-Smith Real Estate Co., Percy Galbreath & Son, John B. Goodwin Mortgage Company, Inc., E. R. Richmond & Co., Memphis; Ferger Mortgage Company, Chattanooga; Kimbrough-Phillips Co., Walter M. Noel & Company, Nashville.

TEXAS: Moak Mortgage Company, Beaumont; Edwards-Northcutt, Inc., Dallas; Alexander-Glass Investment Company, W. L. Dinn & Son, Corpus Christi; Ryan Mortgage Company, Fort Worth; H. A. Crabb & Company, Inc., Raymond Holland Company, Metropolitan Mortgage Company, Mortgage & Trust, Inc., Carl G. Peterson & Son, Houston; Lubbock National Bank, Lubbock; Horton, Yaggy and Kenley, San Angelo.

UTAH: The Continental National Bank & Trust Co., Salt Lake City.

VIRGINIA: Rucker & Richardson, Richmond; Arlington Realty Company, Arlington.

WASHINGTON: General Mortgage Corp., Longview; Seattle Mortgage Company, Seattle; J. L. Cooper & Company, Spokane; Paxton-Kent Company, Walla Walla.

WEST VIRGINIA: Home Mortgages, Inc., Charleston; Paul Chapman Realty Company, Huntington; The Parkersburg National Bank, Parkersburg.

WISCONSIN: National Guardian Life Ins. Co., Madison.

PERSONNEL

MORTGAGE MAN WANTED

Excellent opportunity available for man experienced in commercial mortgage financing. Exclusive correspondent for several of largest life companies and savings banks and covers territory of about million population in northeastern section of country. Attractive financial arrangement. Write in confidence to Box 175, Mortgage Bankers Association of America, 111 W. Washington St., Chicago.

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Twenty years' experience in banking. Now loan guaranty agent with VA in Middle West. Reviews final case files. From 1933 to 1945, field audit supervisor HOLC, checking and verifying that regulations compiled with Federal Savings & Loan Insurance Corp. in Washington. Write in confidence to Box 176, Mortgage Bankers Association of America, 111 W. Washington St., Chicago.

LINDELL PETERSON HEADS CHICAGO MBA

★ *L. M. Fryer named head of Iowa MBA; C. Armel Nutter new Philadelphia MBA chief; Weck M. Brown named in Dallas*

"OUR policy now as mortgage bankers must be one of financing only those who have a reasonable chance to re-pay and to explain with patience to those we must refuse, why we refuse, and why it is to their benefit that we do refuse. Your policy certainly should be one of assisting borrowers to borrow only what they can repay," President Nielsen told members of the Iowa MBA at their two-day annual convention in Des Moines. The meeting was attended by about 90 from all parts of the State and from other Middle Western cities.

Laird M. Fryer, Des Moines, was named president, Douglas C. Swale, vice president, and William E. Hey, secretary. Governors named include Milton S. Olson, Orville Gore and W. H. Williams of Des Moines, and John W. Leavitt of Cedar Falls. Regional vice presidents elected were Dan B. Severson, Sioux City; Walter Hall, Council Bluffs; L. T. Gallogly, Mason City; E. Harold Carlson, Des Moines; D. L. Wells, Davenport, and N. J. Greteman, Dubuque.

The Association adopted a resolution declaring that further government entrance into the housing field through public housing will mean additional bidding for available materials and another urged all groups in the building field to attempt to produce a low cost house. Another expressed concern about mounting public expenditures. A fourth urged discontinuance of all rent controls by January 1st next year and a fifth urged adoption of the proposed Iowa State building code. Another urged consideration of a training program for young people going into the mortgage business.

CHICAGO MBA ELECTS: Left photo, seated, left to right, Wilbur F. Pilgrim, F. C. Pilgrim & Co., retiring president of Chicago MBA; Lindell Peterson, president, Chicago Mortgage Investment Co., the new president; and Harold H. Yegge, vice president, Henry P. Kransz Company, and former CMBA president. Standing: Harry H. Salk, American National Bank & Trust Company, the new vice president; and C. H. (Larry) Goelzer, Ward Farnsworth & Co., the new secretary and treasurer.

AT IOWA CONVENTION: Center, Franklin D. Richards, FHA commissioner, speaks on FHA Objectives, Plans and Prospects in Iowa. Right, President Nielsen speaks in panel group on Current and Future Investment Policies at Iowa MBA.

COVER: At the Iowa MBA convention, left to right, were L. M. Fryer, Iowa-Des Moines National Bank, new Association president; E. R. Haley, president, General Mortgage Corporation of Iowa and MBA board member; Milton S. Olson, vice president and treasurer of Mr. Haley's company, the retiring president; Norman H. Nelson, vice president, Minnesota Mutual Life Insurance Company, St. Paul, and MBA board member; Earl Linn, president, Weitz Investment Company, and MBA regional vice president; and President Nielsen. (Chicago MBA photo by Real Estate News)

Another praised the FHA and VA as efficient governmental agencies.

Among the guests were Vivian Truman of FHA in Kansas City; William Bunge, Milwaukee; A. L. Laur, Granite City; F. Jay Decker and Herman D. Froning, Peoria; H. H. Nooner, Carbondale; Norman H. Nelson, St. Paul; George R. Pulliam, Kansas City; J. S. Regan and L. A. Reuder, Minneapolis; P. Warren Smith, Chicago; Curt Mack of FHA and Frank J. McCabe of MBA.

Other points which President Nielsen emphasized:

» All groups interested in housing must get together and make a contribution toward producing a low-cost house, especially for the lower income groups which have been neglected in recent years.

» Interest must be low enough to be competitive and high enough to invite capital.

» There must be closer cooperation between builder and lender in the future.

» We take freedom in this country too casually. The more we lean on the federal government, the more power we give to officials to tell us what we can do and how we can do it.

Milton S. Olson, president, presided at the convention. W. Harold Brenton, past president of the Iowa Bankers Association, spoke at the same session with President Nielsen and Grant Torrance, vice president, Business Men's Assurance Company of America, Kansas City. At the banquet the opening night, members heard Lt. Col. R. D. Rhys Davies, world traveler, speak on The New Deal in Britain.

On the second day, members heard Walter T. Robinson of the VA in Des Moines, and FHA Commissioner Franklin D. Richards speak on the work of their agencies. The afternoon session featured addresses by James Price, president, National Homes Corp., on low-cost housing and Prof. James T. Lendrum of the University of Illinois' Small Homes Council speak on housing research.

The closing feature of the program was a reception given at the Des Moines Club by the Association for those who attended.

» **CHICAGO:** One of the largest groups ever to attend a Chicago MBA annual dinner was on hand to see the Rose Bowl movies and hear Dr. Irving Lee of Northwestern University's school of speech.

Lindell Peterson, the new president, told members that the mortgage man has a justifiable place in the nation's economy and has discharged his responsibilities well.

"I expect," he said, "to be speaking a year from tonight from this same place"—an allusion to the federal suit directed against the organization. His predecessor, Wilbur F. Pilgrim, with the same thought in mind, when presented with some handsome luggage in appreciation for his successful administration, declared that he "accepted it gratefully—with the consent of the department of justice of course."

Developments in other MBAs across the country:

» **PHILADELPHIA:** C. Armel Nutter, member of the MBA board and co-chairman of our educational committee, has been elected president of the Philadelphia MBA. Other new officers are William T. Welch, Fidelity-Philadelphia Trust Co., vice-president; John C. Hemmeter, Jr., Occidental Life Insurance of California, secretary, and John J. Harrington, Beneficial Savings Funds Society, treasurer. William Brandt, Donald K. Redding, Howard M. Swalley and William A. Clarke are the new governors.

Speakers at the annual dinner meeting were Milton T. MacDonald, vice president, Trust Company of New Jersey, and Washington Counsel Samuel E. Neel.

» **DALLAS:** Weck M. Brown was elected president of the Dallas MBA, Herman Van Maanen, vice president and J. Herman Little was re-elected secretary and treasurer.

» **HOUSTON:** Ralph F. Andrews, VA loan guarantee officer, addressed members of the Houston MBA on VA regulations at their recent meeting.

» **AUSTIN:** Morris Alford was elected president of the Austin, Tex., MBA at the recent meeting. Other officers named were A W. Henderson, first vice president; John Gracy, second vice president; Glen Lewis, secretary-treasurer; and D. L. Welch, director.

TAFT ASSAILS NEW HOUSING BILL

★ *He tells MBA-NYU Conference in New York that it tries to do too much*

SEN. ROBERT A. TAFT of Ohio, principal spokesman for the Republican Party on the housing question, doesn't like the administration's new housing bill and told those who attended the MBA-NYU Conference on the Impact of Economic Interventionism why he is certain its provisions cannot be fulfilled.

"While I am a great believer in free enterprise, housing happens to be a field where it has failed to find a solution. There is no reason why the public housing program should compete with, or interfere in any way with, the private housing industry. Those who are opposed to public housing have done their own industry a disservice by their indiscriminate and unreasoning opposition."

They should, he said, promote the public housing plan and spend their energy and funds to confine the plan to its proper scope. Opponents of public housing plans, he held, had invited more radical housing measures and assisted the critics of free enterprise.

Senator Taft said the present administration bill called for too many houses a year and that this feature "changed the whole character of the program" which the bipartisan measure called for.

"I doubt," he said, "if more than 125,000 units a year could be built efficiently for several years to come."

Senator Taft said there were some objections to public housing, but that such a program was "in no sense a socialization of the building industry or the housing industry.

"Under private industry left to itself," he added, "the slum condition has continued without improvement.

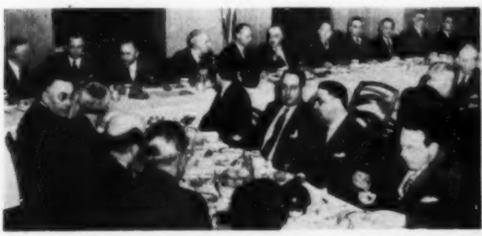
"The main trouble is that housing costs are out of line with average income. Until housing costs are reduced, I see no way to cure the situation except by some direct government action."

While the FHA has cut financing costs for homes, neither contractors nor material men have made any similar reductions.

"I believe the Federal Government does have a responsibility for preventing the suffering and hardship resulting from extreme poverty at any point in the United States. Some extremists preach, 'let the devil take the hindmost,' but without arguing the economics of this theory, it offends every humane sense and Americans are humane people."

Senator Raymond E. Baldwin of Connecticut, in an "extension of remarks," had Sen. Taft's address published in the Congressional record.

The course was the most successful MBA and NYU have sponsored. Nearly two hundred attended the opening dinner session when Sen. Taft spoke. Secretary




Left, the Taft dinner session; right, Sen. Taft, President Nielsen and Dean G. Rowland Collins.

George H. Patterson, who attended the Conference, believes it has become an established MBA activity and that it will continue to grow in importance.

Those attending this year were:

Addison K. Barry, National Newark & Essex Banking Co., Newark; Nathan T. Bascom, State Mutual Life Assurance Co., Worcester; George J. Bender, The Brooklyn Savings Bank, Brooklyn; W. E. Bixby, Kansas City Life Insurance Co., Kansas City, Mo.

T. M. Blankenship, Southeastern Fire Insurance Co., Charlotte, N. C.; J. A. Budinger, Kansas City Life Insurance Co., Kansas City, Mo.; John D. Butt, The Seamen's Bank for Savings, New York City; E. L. Carlson, Fidelity Mutual Life Insurance Co., Philadelphia.

C. W. Clarke, The First National Bank of Merrick, Merrick, N. Y.; W. A. Clarke, W. A. Clarke Mortgage Co., Philadelphia; George T. Conklin, Jr., Guardian Life Insurance Co., New York City.

Milton Coven, Bankers Mortgage Company, Paterson, N. J.; Henry H. Edmiston, National Life Insurance Company, Montpelier, Vt.; E. G. Egerton, The Seamen's Bank for Savings, New York City; John D. Engle, Insurance Funds Mortgage Co., Los Angeles.

Lawrence A. Epter, Lawrence A. Epter & Associates, Inc., New York City; C. Kenneth Fuller, Paterson Savings & Trust Co., Paterson, N. J.; Walter Gehrke, First Federal Savings & Loan Association, Detroit; Raymond Gleadall, Home Life Insurance Company of America, Philadelphia.

Robert E. Goldsby, Jersey Mortgage Co., Elizabeth, N. J.; Joseph N. Gorson, Fidelity Bond & Mortgage Co., Philadelphia; Ralph N. Hager, Worcester Five Cent Savings Bank, Worcester, Mass.; Carl Harris, Laclede Bond & Mortgage Co., Clayton, Mo.

Frank R. Heath, Jr., Worcester Five Cent Savings Bank, Worcester, Mass.; Frederick H. Hoffman, Harmonia Savings Bank, Elizabeth, N. J.; Robert A. Hoffman, Home Life Insurance Company, New York City; John W. Hooper, The Lincoln Savings Bank of Brooklyn, Brooklyn, N. Y.

Charles H. Johnson, National Bronx Bank of New York, New York City; W. R. Johnston, W. R. Johnston & Co., Inc., Oklahoma City; Albert Keidel, Piper and Hill, Easton, Md.; J. I. Kislak, J. I. Kislak, Inc., Jersey City, N. J.; J. Frank Kurzenknabe, Wood-Ridge National Bank, Wood-Ridge, N. J.; Thomas E. Lovejoy, Jr., Manhattan Life Insurance Co., New York City.

Conrad H. Lowell, Lowell, Smith & Evers, Inc., New York City; Milton T. MacDonald, The Trust Company of New Jersey, Jersey City, N. J.; Clifford V. Miller, Clifford V. Miller, Inc., Brookline, Mass.; Vincent B. Miner, Essex Title Guaranty & Trust Co., Montclair, N. J.

Gordon V. Moy, Colonial Life Insurance Co., East Orange, N. J.; Frank Mullen, The Greater New York Savings Bank, Brooklyn; Aksel Nielsen, The Title Guaranty Company, Denver; C. Armel Nutter, Nutter Mortgage Service, Camden, N. J.

Harry C. Peiker, Feist and Feist, New York City; R. E. Plott, The Kanawha Valley Bank, Charleston, W. Va.; W. C. Rainford, Mercantile Mortgage Co., Granite City, Ill.; William C. Reed, Pennsylvania Mutual Life Insurance Co., Philadelphia; Ernest D. Renard, The Greater New York Savings Bank, Brooklyn.

Harry J. Ries, South Orange Trust Company, South Orange, N. J.; W. E. Roe, Central National Bank of Cleveland; James W. Rouse, The Moss-Rouse Company, Baltimore; Ralph P. Schaberg, Manhattan Life Insurance Co., New York City; Harry Salk, Salk, Ward & Salk, Inc., Chicago; M. R. Siegal, J. I. Kislak, Inc., Jersey City, N. J.

L. Gordon Slutz, The Ridgefield National Bank, Ridgefield, N. J.; Robert E. Smith, Mutual Benefit Life Insurance Co., Newark; Carton S. Stallard, Jersey Mortgage Co., Elizabeth, N. J.; Edward L. Stanley, Provident Mutual Life Insurance Co., Philadelphia.

John C. Thompson, New Jersey Realty Co., Newark; John S. Throckmorton, Caldwell Mortgage Title & Abstract Company, Caldwell, N. J.; Wallace W. True, The Lincoln Savings Bank of Brooklyn; George M. VanDoren, Bankers Mortgage Company, Paterson, N. J.; C. C. Van Patten, Security Mutual Life Insurance Co., Binghamton, N. Y.

John W. Weber, Bankers National Life Insurance Co., Montclair, N. J.; R. H. White, White Investment Co., Inc., Minneapolis; H. G. Woodruff, H. G. Woodruff, Inc., Detroit; Paul P. Swett, Jr., The Baltimore Life Insurance Co., Baltimore.

1949 MBA EVENTS

February 22-23, Washington, D. C., Board of Governors Meeting.

February 24-25, Chicago, First 1949 Clinic, Drake Hotel.

April 4-5, New York, Second 1949 Clinic, Hotel Commodore.

April 14-15, Houston, annual convention, Texas MBA, Shamrock Hotel.

May 5-6, Los Angeles, Third 1949 Mortgage Clinic.

May 20, Chicago, Spring Meeting, Board of Governors, Drake Hotel.

June 20-25, Chicago, MBA-Northwestern University Mortgage Banking Seminar.

September 19, 20 and 21, Chicago, 36th Annual MBA Convention, Palmer House.

» HONORED: University of Notre Dame, at its 104th annual commencement, conferred the degree of Doctor of Laws, honoris causa, on Byron V. Kanaley, MBA president in 1945-46 and president of Cooper Kanaley & Co., Chicago.

Editor's Notebook

MBA ABROAD—SEEMS THEY HEAR ABOUT US IN FAR AWAY PLACES

MBA is becoming internationally known, judging from recent correspondence to the national office. Not long ago, one Pricha Thaiarry, whose letterhead reads "State Commerce and Capital Division, National Council of Audit, Government of Siam, Grand Palace, Bangkok, Siam," wrote us at the suggestion of the U. S. Embassy there requesting information about mortgage banking practices. He didn't just ask us in a matter of fact manner—he was extra nice about it, starting his letter, "I have the honour of addressing you at this time approaching for your esteemed favours. . . ." That sort of request is a welcome change at times.

And MBA receives the voluminous material of the Banco di Roma and the dell'Associazione Bancana Italiana in Rome, but since we don't read Italian we can't pass along much information about how things are in mortgages over there. Other foreign inquiries come in from time to time, some of them puzzling as to how the inquirers came to hear of us.

The most interesting one came a few weeks ago when we heard from Dr. P. Sanders, advocaat en procureur, at 134 B.K. Laan, Schiedam, Holland, who was formerly secretary to the Dutch prime minister and the Netherlands Cabinet. He wrote an article in the July-August issue of De Naamkos Naamloze Vennootschap, published in Rotterdam, on the purchase-lease development after reading Mark Levy's articles in the November and December, 1947, issues of The Mortgage Banker. At Mr. McCabe's request, he later translated the article and sent it to us. Mr. Levy thought it was an excellent discussion of the subject. As late as December 10 Sanders was trying to arrange the first purchase-lease agreement in Rotterdam. We don't know whether he made it or not. He went on to say that the rebuilding of Rotterdam was hampered by the difficulty of financing and "would it be a too fantastic idea to suggest that perhaps American investors would interest themselves for this project?" We're afraid it would be right now because whatever aid going to Europe in the immediate future will clear through the Marshall Plan.

If the idea of a central mortgage bank, such as Wallace True described in the February issue, should take hold, these central banks in Europe and South America will be studied carefully.

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ART NOTE FROM DALLAS

Recently in one of those around-the-town columns in a Dallas newspaper, we spotted an item about a painting by a well-known Texas artist, Olin Travis. Art isn't one of the things that usually interests The Mortgage Banker but the subject of this particular work did. He was Owen M.

Murray, president of MBA in 1934-35. We immediately got the idea we'd like to see this picture; and because Owen Murray has been a member of the Association for a long time, has taken an active interest in its progress and knows about as many mortgage men as anyone in the country, we thought our members might like to see it too. So we got a copy and here is the painting.